

NATIONAL INTELLIGENCE OFFICERS  
OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE

DATE: 28 May 1974

TO: Mr. Evans

FROM: GACarver, Jr.

SUBJECT:

REMARKS:

Attached is a note sent to   on 24 May transmitting the study he asked for, a copy of which is also attached.

George A. Carver, Jr.

George A. Carver, Jr.  
Deputy for National Intelligence Officers

Attachment

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Distribution

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NATIONAL INTELLIGENCE OFFICERS

NIO #1191-74

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DATE: 24 May 1974

TO: [REDACTED], NSC

FROM: D/DCI/NIO

SUBJECT:

REMARKS:

Attached is the report containing the CIA's judgments on your questions concerning the Siberian development projects. We are also sending a copy to [REDACTED] at the DCI's recommendation.

Also included in the package are two geographic studies of the area which may serve as useful supplementary data. I would point out, however, that some of the data relative to certain projects is limited and subject to modification. This is particularly true with regard to the course of the Siberian railroad project.

George A. Carver, Jr.

Deputy for National Intelligence Officer

Attachment

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May 24, 1974

## JAPANESE INVOLVEMENT IN SOVIET SIBERIA

### KEY CONCLUSIONS

The Japanese -- especially because of their limited energy options -- are anxious to proceed with most of the Siberian projects they have been discussing with the USSR. However, investment requirements will be heavy and risks are implicit in uncertainty over the extent of energy reserves as well as in Soviet business practices.

Because of these risks, the China factor, and the need for US technology, the Japanese are unwilling to proceed with the Yakutsk gas and Sakhalin oil projects without some American participation. For political as well as economic reasons, the Tyumen oil deal, as presently defined by the Soviets, is probably dead.

Although the projects will be of economic benefit to both the USSR and Japan, they will not make Japan unduly dependent on the USSR. Nor will Japanese/American participation in the projects significantly alter the Japan-USSR-China relationship, although some political interest is involved for each:

- For Japan, risks with respect to Moscow and Peking are offset by US participation and a better balance is achieved in relations with the two Communist countries;
- For the USSR, US participation is evidence of the economic benefits of detente while Japanese participation balances the Tokyo-Peking relationship;
- For China: Peking has suggested US participation in Siberian development would lessen the likelihood of a threatening Moscow-Tokyo relationship, but in the present political climate the Chinese are likely to be dubious of any evidence of additional US-Soviet cooperation.

China would probably be gratified should the Yakutsk gas and Sakhalin oil projects fail to materialize because of US non-participation, and Chinese oil sales to Japan might have a somewhat greater political impact under these circumstances. The intensity with which Moscow and Tokyo react to American non-participation will depend heavily on circumstances; the key to the reaction will be the perceived extent and sincerity of the administration's effort to encourage American participation.

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